# LABOUR MONTHLY

1s.

EDITOR · R PALME DUTT


**Labour's Choice** R.P.D.

**German Reparations—the Facts** Quaestor

**Europe Today (v)** D. Bruce, M.P.

**Planning and Democracy** J. R. Campbell

**Wallace's Stand** D. Kartun



MAY, 1947

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# NOTE TO READERS

THIS month we are able to take a further step forward in the plans for the improved format of the LABOUR MONTHLY, and to attempt to reach a larger proportion of the demand.*

From this issue we have a larger size of paper, with wider margins, and are to that extent within measurable distance of our old pre-war format—although the extension of the number of pages must still await more abundant supplies of paper.

We have been fortunate in being able to secure the supply of a very fine, though expensive, type of paper, which combines the advantages of opacity and superior quality with extremely light weight.

From this issue the magazine will be printed on a rotary (strictly, semi-rotary) press. This will provide greater speed in production and should enable readers to get their copy on the book-stall or directly through the post by the 1st of the month.

The advantages arising from these changes will be apparent.

When we moved over at the beginning of the year from the airmail blue microscopic edition which served as a wartime substitute to the larger pages and type and white paper, with the consequent increase in price, we anticipated that the increase in price would result in some reduction in the demand, thus facilitating solution of the problem of the greater amount of paper required for each new enlarged copy. Instead, the demand has increasd.

While we appreciate this evidence of support, it means that our practical problem is intensified even more than under wartime conditions. This problem has been further accentuated when the Ministry announced a cut of one-eighth in paper supplies for all periodicals as from the first week in March. This cut in paper for periodicals coincided with the announcement that daily and weekly newspapers would receive more newsprint than before. The quota for periodicals is still based on pre-war; and periodicals have not yet been given the opportunity, as in the case of newspapers, to advance circulation to meet the real demand.

Readers will recognise the special problem for a journal such as the LABOUR MONTHLY when we point out that our pre-war

* The use of different founts of type is only temporary, and we shall be returning to our usual type as soon as this is available.



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circulation was 8,000; that our circulation during the earlier period of the war rose to close on 50,000 prior to restriction: and that restriction meant a quota based on one-sixth of pre-war supplies. This would have given us 1,300 copies of the pre-war format. By tabloid production on blue airmail paper with microscopic print we were able to eke out this exiguous supply to cover, together with a special export quota, a total restricted sale of 20,000 copies per month in 1946.

With post-war conditions, however, we recognised that it was essential to move as rapidly as possible from the extremely unsatisfactory wartime production to an improved format. Accordingly, as soon as an increase in the quota was made available at the end of last year, we decided to use it, not to increase the number of copies printed, despite the demand, but to improve the format. This compelled a slight reduction in the number of copies printed; but we hoped that a further increase of supplies would soon put this right. However, circumstances have brought this further cut in supplies, and considerable uncertainty for the future. Accordingly we are having to do the best possible under these conditions.

This unexpected cut has made it essential for us to resort to a lighter paper than that which we used for the first months of the year, and at the same time change to a printer with a rotary machine capable of working this particular kind of paper.

Thus a step that had been originally planned to be part of our peacetime development, i.e., speedier production with a further slight increase in size, has had to be taken at short notice. With this May issue we add several square inches to the total size of the page, width and depth to the type surface, and fineness of quality to the paper used.

We must beg indulgence for any temporary shortcomings in the present production, which we shall endeavour to improve, and for difficulties arising through limitation of supplies. We believe that our readers, who have supported our journal through thick and thin, through opaque papers and less opaque, will in the light of this explanation accord a friendly welcome to this further development in our peacetime format; and we assure them that we shall endeavour to make further improvements, as well as extension of the number of copies available, as rapidly as circumstances permit.

EDITORIAL BOARD.



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## Notes of the Month

# *Labour's Choice*

MAY DAY, 1947, falls in the centenary year of modern communism—the emancipation movement of mankind throwing off the shackles of class and national oppression and advancing to the new society of human freedom based on common mastery of natural resources and science and technique. One hundred years ago the first Congress of the Communist League was held in London, in June, 1847, which under the guidance of Marx and Engels adopted the principles of scientific communism, elaborated a few months later in the Manifesto of the Communist Party. The test of a century has proved these principles in action. Today communism is universally recognised, alike by friend and foe, as the leading political movement which is shaping the modern world. The Socialist Soviet Union stands out as the one Power which fully maintains its independence and political leadership of the world fight for peace and democracy and does not bow or cringe to the last citadel of capitalism in America. The international working class movement extends to seventy million organised workers in the world trade union federation; the political movement of communism extends to twenty million organised members, or one in a hundred of the human race, with hundreds of millions following their leadership; the world movement of liberation spreads through every continent and country, in a hundred forms and stages of development, marching forward for the common aims of democracy, of national freedom and of social and economic emancipation. Labour Britain has replaced Tory Britain; and this is only the beginning of the deep changes which the inexorable requirements of the crisis in Britain will compel. Communism leads the majority of the working class in country after country for national freedom and basic social reconstruction. The new People's Democracies in Europe are reshaping their countries and stand in firm unity with the Socialist Soviet Union and the democratic forces of the world. The Arabian Middle East and all Asia advance to freedom; and the recent Asian Conference has revealed the rising nations of a new world. Chinese Communism is leading the fight for democracy in China, with one hundred and fifty millions already in the liberated areas. In Latin America tens of millions are on the march. On this May Day, 1947, the world is indeed in movement; a new world is coming to birth.

### A Century's Outcome

Marxism or communism is no shibboleth of a sect. It is a common inheritance to guide the working class and democratic movement and all striving towards the goal of human liberation through the long and painful transition of our era. Today we are drawing nearer to that goal; it may be said that the greater part of the road of transition has been trodden, through the efforts of those who have gone before during this century, even though the final and perhaps the greatest battles against reaction have still to be fought. Through the heroic struggles of the nineteenth century pioneers; through the long theoretical conflicts in which the supremacy of Marxism was established; through the building up of working class organisation to the strength of millions; through the



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storms of revolution and counter-revolution of the twentieth century and the beginnings of working class power and socialism; through the assault of fascism and the defeat of fascism by the united coalition of free peoples; we have reached a point today where the strength and amplitude of the working class and democratic movement and communist leadership throughout the world surpass all that has gone before. We know that we have still heavy struggles before us. Monopoly capitalism is not yet dead; it has reached its most monstrous growth in America, throwing a nightmare shadow over the world; it is still economically dominant in Britain; its tentacles reach out graspingly to every continent, fanning the embers of everything that is rotten and reactionary. There is war in Greece; war in China; war in South East Asia; with battlefronts involving armies of millions. There are shortage and deprivation and physical suffering beyond measure, so that the theory of increasing misery of life under capitalism is proved in living experience to be no longer so fantastic and unthinkable as the facile sophists of reformism once confidently sought to assert. The lords of the dollar and the atom bomb strive to establish their mastery; their fifth columns are busy everywhere. Fascism is not yet finished; for wherever there is monopoly capitalism there is danger of fascism. All this we know; and it is the warning answer to any empty complacent optimism of automatic progress. But we know also that there are today hope and confidence and strength and growing unity never before equalled. We know that the verdict of history, which was proclaimed already in principle in the teachings of Marxism a century ago, which was proved in the deepening crisis of our era, which was proved in the victory of 1917, and which was proved again in the victory over fascism, is more clear and unmistakable than ever today.

## Two Camps

It is in the light of this historic sweep forward today of the peoples and of communism that we need to see in true proportion the present berserk fury and frenzy of the dwindling anti-democratic and anti-communist camp, entrenched in the last citadel of American imperialism. The Bourbons of the old social order strive to turn back the wheels of history. The impotent successors dream at this late hour to achieve what all their predecessors through these hundred years failed to achieve. Into the seats of the long gallery of anti-communist crusaders, whose every assault has left communism the stronger, of Thiers and Bismarck, of Cavaignac and Gallifet, of Stolypin and Kolchak, of Hitler and Mussolini, now seek to ensconce themselves the Trumans and Vandenbergs and Rankins, the Churchills and De Gaulles and Francos and Chiang Kai Sheks and their allies. The omens are against them. There is a division in the world today. It is not the division between East and West. It is not the division between rival schools of socialism or progressive thought; these are only secondary reflections, and not the basic alignment of antagonism at the present stage, when all the old questions are taking new shapes in the light of new experience and new possibilities. The decisive division today, which is governing the next stage of development, is the division between the overwhelming majority of mankind, pressing forward along many varied paths towards the aims of political and social emancipation and international co-operation, and the tiny handful of powerful monopolist reactionaries and warmakers and



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their satellites and allies, who are desperately striving to turn back the tide of human progress and intriguing to unloose new war rather than surrender their privileges. Between these two camps there is conflict, and there can be no third path of neutrality. It is in the light of this real world alignment today that we need to understand and grapple with the pressing tasks of our present hour of trial in Britain, which today stands at the parting of the ways, which is torn between the old world and the new, pressing forward by the will of the people towards the new, but still held back by the deadweight of old inheritance and old policies and commitments and deeply entrenched interests. This is the basic choice underlying all the burning problems which the present crisis forces forward for solution by the British people, and which will find their reflection in the controversies of the coming Labour Party Conference at Margate.

### From Bournemouth to Margate

The Margate Labour Party Conference will meet in a very different atmosphere from that at Bournemouth a year ago. An age has passed between. There is no longer room for the complacent illusions and self-satisfaction which made easy the domination of the right wing, the rejection of communist co-operation and working class unity as superfluous, and the absence of any major controversy or challenge on official policy. Everything was seen in rosewater colours of the triumph of gradualism bowling down a smooth high road of legislative achievement to future socialism. Had not 73 Bills been introduced, as the Prime Minister proudly pointed out in his year's review, and " 55 have already received the Royal Assent "? Today to re-read those ministerial speeches of Bournemouth, with their blissful unawareness of the ordeals in front, leaves a bitter taste in the mouth. The winter and the White Papers have brought the first beginnings of a grimmer understanding of real politics and of the real situation to be tackled. And this understanding, driven home under the sharp spur of economic necessity, is bringing a widening recognition of the basic choice which the Labour Party and the Labour Government have now to face, not only in home economic policy, but in world alignment and foreign policy, which lies at the root of Britain's economic problem.

### Foresight and Hindsight

At Bournemouth Herbert Morrison could describe with lofty superiority the impotence and lack of foresight of the Labour Government of 1929 as a striking contrast to the situation of the present day:

> The Government is rapidly building up an overall planning organisation. I compare it with the complete lack of economic planning organisation in the past. That was the case in the Labour Government of 1929-31, when I held the office of Minister of Transport.
>
> When we went into the economic and financial smash of 1931 we did not know we were going there. We ought to have known what was ahead, but we did not, because there was no proper machinery of State to tell us, and when we got there we did not know fully what to do about it.
>
> The real problem of statesmanship in the field of industry and economics is to see the trouble coming and to prevent ourselves getting into the smash.

Yet it is possible to read the ministerial pronouncements of the Bournemouth Conference in vain to find the slightest inkling of the real character of the critical economic situation which was to develop within



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a few months in the winter and to transform and dominate the whole perspective of 1947. Nine months after the pompous announcement of "overall planning organisation" at Bournemouth, twenty months after the return of the Government supposedly on a programme of planning, only after the crisis had broken, in March, 1947, the Government suddenly announces the decision to call in a Big Business head as "Chief Planner." What, then, had been happening during twenty months?

## Communism and Labour

As Harry Pollitt wrote in his article, "Outlook after Bournemouth," in the Labour Monthly of July, 1946:

At no time during the proceedings was any serious effort made by the leadership to face the Conference up to the grim realities of the acute political and economic questions that will begin to arise with increasing gravity. No effort at all was made to give any analysis of Britain's economic position either in relation to the situation at home or against the background of the international situation as a whole.

It was the communist predictions of the deepening gravity of the economic situation ahead which were proved correct by the event, and not the rosewater pictures of complacency. And when the crisis came, it was to the communist Arthur Horner that Ministers turned for help and guidance; it was the communist miners who took the initiative in organising Sunday work for the emergency and speeding up effort and raising production figures; it was the communists at the key points of industry who stood in the forefront in the production drive, no less than in rallying working class opinion to stand solidly behind the Government against the Tory attempts to exploit the crisis. So the crisis, which dealt its shattering blow to the philistine illusions of electoral-parliamentary self-sufficiency, at the same time aroused a deeper understanding of the indispensable role of the Communist Party and of its leadership in the industrial working class, as well as an extending recognition of the correctness of its political line and of its warnings against a reactionary foreign policy which could wreck the tasks of home reconstruction.

## Easter Conferences

The awakening is spreading in the working class and in public opinion. Within three months after Bournemouth, the Trades Union Congress, where working class opinion, including communist opinion, receives democratic rights of representation and expression, in place of the artificial filleted character of representation at a Labour Party Conference, registered two and a half million votes in condemnation of Bevin's foreign policy. This firm declaration of the viewpoint of the decisive sections of the industrial working class, despite the direct appeal by Attlee the previous day calling for rejection of this resolution as communist, gave courage to the more hesitant or wavering centre opposition elements in the parliamentary labour party, who had hitherto been silent, and who now joined forces with the already declared left minority in the King's Speech amendment of the latter part of last year condemning Bevin's foreign policy, signed by fifty-eight Labour M.P.s and receiving the support by demonstrative abstention of one hundred. This current has now spread further, with the direct opposition vote, despite a three-line whip, of eighty-five M.P.s (including pacifist, centre and left



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sections) against the Conscription Bill, and the votes at the Easter trade union and co-operative conferences. Three and a quarter millions at the Co-operative Party Conference condemned the Bevin foreign policy, for which all the resources of the platform and the presence of Alexander could only obtain a majority of one hundred and fifty thousand; three and a half millions called for a substantial reduction in armaments expenditure; the six millions at the conference carried by an overwhelming majority a resolution condemning Truman's declaration (and therefore by implication the Cabinet's support of it) as a "menace to world peace" and "negation of democratic principles." Similar significant results were recorded at the Easter trade union conferences. And the agenda for the Labour Party Conference, with twenty-seven resolutions on foreign policy, and forty-one on man-power, indicated that the fight will be actively carried forward at Margate to end the present disastrous policy which is strangling the labour movement and the life of Britain.

## Wallace's Message

In this situation the enthusiastic popular response to the visit of Henry Wallace, and the deep impression created by his broadcast, is a political portent. Long ago, in 1920, Lenin noted how the anti-communist frenzy of the old ruling class, so powerfully exemplified by American imperialism today, produces its boomerang effect:

> After the proletarian revolution in Russia and the international victories of this revolution, which the bourgeoisie and the Philistines did not expect, the whole world has become different, and everywhere the bourgeoisie has also become different. It is terrified by "Bolshevism," it is enraged against it almost to madness, and precisely for that reason it is, on the one hand, accelerating the progress of events, and on the other, it is concentrating attention on the suppression of Bolshevism by force, and is in that way weakening its position in a number of other fields.

In particular, Lenin noted how

> the American bourgeoisie, having completely lost its head, seizes thousands and thousands of people upon suspicion of Bolshevism and creates an atmosphere of panic, spreading broadcast alarm of Bolshevik plots. . . . We must bow and thank these worthy capitalists. They are working for us. They are helping to get the masses interested in the question of the nature and significance of Bolshevism.

Today Truman's grand offensive, proclaimed in his address of March 12, has aroused and awakened every nation in the world to the menace of American expansionist aggression, and is strengthening world democratic and progressive unity to withstand the offensive. The reception given to Henry Wallace in his tour of Britain and European countries, as the successor and voice of the policies of world democratic unity and peace for which Roosevelt fought, in open and courageous opposition to Truman and American imperialist reaction, has taken on the character of a demonstration of international political significance, welding together the international unity of the progressive fight. Wallace's speeches in London, Manchester and Liverpool have given the answer to Churchill's speech at Fulton. Wallace has sounded the call for unity of the progressive front in Britain and America; "if it is right for Tories in our two countries to work hand in hand in secret, it is equally right for the Progressives in the U.S.A. and Britain to work hand in hand in the open." And Wallace has sounded the warning, salutary



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not only for the divided left movement in America, but equally for the artificially divided labour movement in Britain, that anti-communism and anti-communist heresy-hunting is the path of reaction to destroy the labour and progressive movement, and that it is the policy of the Right Wing enemies of democracy " to stir up hatred of the communists, and to smear as communists or their dupes the progressives whose leadership they wish to destroy." This lesson may well be taken to heart by the labour movement in Britain.

## Lost Opportunities at Moscow

The fight in Britain is going to require unity of all progressive elements. For the truth must be faced. While there is this deep stirring, this widespread awakening, these signs of coming change as unmistakable as the gathering movement against Chamberlain in the pre-war years, the policy on top is not yet changed. Britain had a great opportunity at Moscow. Stalin's initiative in opening new negotiations for a revision of the British-Soviet Treaty, to make it a reality in place of the present mockery, placed the ball at Britain's feet. Britain had the opportunity to play an independent role, to end the ignominious position of eternal lieutenant and junior partner of American imperialism, to exercise effective counter-pressure against the tightening economic and financial stranglehold of American monopoly on Britain's life, to speak for Europe and democracy, and to compel a return to the principles of the United Nations, the treaties agreed at the Crimea and Berlin, and co-operation of the three Great Powers. Such a stand would have transformed the world situation. It would have rallied the immense majority of the democratic nations of the world. It would have completely changed the proceedings, not only at Moscow, compelling agreement in place of deadlock, but also at the International Trade Conference at Geneva, where the supporters of planned economies could have made their majority strength felt against the bandit aims of American monopoly domination in the name of " free enterprise." It would have isolated and rendered impotent the aggressive expansionist designs of American imperialism. For it must never be forgotten that American imperialism is dependent for its aims of world expansion on Britain's support; Chiang is a broken reed, requiring to be propped up rather than able to give support; France has not been won (hence the De Gaulle offensive); the Vatican is a useful fifth column, but not a State power; Franco, King Paul, etc., are liabilities rather than assets. Were Britain's support withdrawn, American aggression would be faced with the opposition of the entire world and would have to draw in its horns. In that sense Britain holds the key. Had that key been used, President Truman would never have been able to make his declaration of March 12, designed to torpedo the conference that opened on March 10. Moscow could have yielded results that could have carried forward the achievements of Teheran, the Crimea and Berlin, and helped to bring peace to the world and settlement to Germany.

## Deadlock by Design

Instead, we have had the sorry spectacle revealed at Moscow, of repeated deadlock when the world wants agreement. In place of an independent role, Bevin preferred the role of obedient second to American imperialism, saying ditto to Marshall on every subject. Once again we



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had the Anglo-American line-up against the Soviet Union and against all the wartime decisions of the United Nations. Marshall openly declared before the conference that he did not expect it to succeed. Marshall contemptuously referred to the Crimea and Berlin Agreements as mere "paper agreements" (an ominous expression that carries many memories—he only omitted to say "scraps of paper"). All previous solemn agreements were repudiated. In the interests of building up a powerful reactionary monopolist Germany under Anglo-American control, the payment of reparations, which had already been scandalously violated in the Western zone (only one million pounds had been so far paid to the Soviet Union, and according to the report of the Chairman of the Inter-Allied Reparations Agency, only 24 out of 284 war factories had been dismantled in the British zone), was now to be in practice repudiated altogether. The "Times" of March 24 noted that, according to the Anglo-American plan, "in effect reparations from west German current production could not be paid for nearly fifteen years." Bevin demanded that the Soviet Union must agree to "sharing all expenses, past, present and future" in relation to Germany. The principle would be far-reaching, if carried out. Mismanagement in the Western zone, through maintenance of reactionary Junker and ex-Nazi saboteurs in the controlling organs, in face of the protests of the German population, has resulted in a situation in which, according to the White Paper on National Income and Expenditure, the British Government incurred a net loss of £38 million in Germany in 1946. Nazi destruction in the Soviet Union amounted to £32,000 million. According to Bevin, the principle of "sharing" means that repayment of the £38 million must come first, and that the suggestion of repayment by the aggressors of less than one twelfth part of their loot (£2,500 million, the figure reached at Yalta) must be vigorously opposed, in the interests of building up a rich and prosperous monopolist Germany, while the Russians in the devastated areas live in holes in the ground. In the name of this demand, German economic unity is resisted, and democratic political unity is resisted. Four-Power control of the Ruhr is resisted. Even the frontier settlements previously agreed are attacked. It is obvious where all this leads. Once again, as after the first world war, the aim is to build up a powerful reactionary Germany under Anglo-American control as a bulwark against the Soviet Union; and for this aim the Western Powers are prepared to repudiate previous agreements, wreck the Moscow Conference and let it end in deadlock, and even if necessary, partition Germany so as to retain the rich industrial areas of the West, the base and power-house of German monopoly and aggression and domination of Europe, as the decisive base of the Western European bloc advocated by official Anglo-American expression.

### De Gaulle and Franco

It is in this connection that must be seen the plain significance and warning signal of the De Gaulle offensive in France. On the basis of the French internal situation alone, De Gaulle's sortie might appear the ill-calculated and desperate last throw of a discredited political gambler whose every effort for the past two years since liberation has ended in fiasco. The French people have by overwhelming majority vote placed their confidence in the parties of the Republic. By the decisive vote of the working people, they have placed their confidence in the Communist



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Party as the premier party of France. The socialist-communist vote represents nine millions. All attempts to exclude the Communist Party from the government have so far failed. De Gaulle's call to the French people to reject the constitution failed. Now the attempt is made to form a "Rally" around a "Leader" against the democratic constitution. "De Gaulle to power" becomes the cry of the men of Vichy and Petain, just as the men of Munich all today applaud Churchill. What is the consequence? The Communist Party stands out even more clearly as the defender of democracy, of the constitution, of legality and peaceful development and reconstruction against attempted adventurist plots and coups. The M.R.P. is disrupted and divided. On the balance of the internal situation the calculation might appear ill-judged. But it is clear that the calculation is not based only on the internal situation. It is based primarily on the expectation of American support. It is the direct sequel of the Truman Declaration pledging American support to all anti-communist governments and regimes. De Gaulle in his Strasbourg speech, with the American diplomatic representatives present, stated:

If a new tyranny should arise to menace the world, France and the United States will unite to oppose it.

"France and the United States"—Britain is noticeably left out of the picture, despite the alliance. De Gaulle now stands out as the salesman of American domination of France. The revolt of Franco and the Spanish generals would have been easily crushed by Spanish democracy, had it not been for the intervention of Hitler and Mussolini who placed Franco in power. Do the reactionary unpurged generals of the French Army dream of a military coup in France to win power with American support? The French working class, led by their Communist Party, is on the alert. We need also to take serious note of this warning signal and of the consequences that are arising from the Truman Declaration for dollar intervention and anti-democratic domination in Europe. The battlefield of French democracy is ours. Britain has officially declared its support of the Truman Declaration, which is as significant a landmark as Hitler's speech of May, 1935. And it is to be noted that, immediately after Franco revealed the increasing shakiness of his regime by his monarchist declaration, the British Government hastened to draw up a monetary agreement with him which "clears the decks for brisk Anglo-Spanish trade" and "has been nicely timed to strengthen Franco's hand." ("Observer," 6.4.47).

## Politics of the American Loan

Nor can we fail to note the tightening American stranglehold on Britain. It is the peculiar character of Britain's situation that the crisis of foreign policy is intimately bound up with the deepening crisis of Britain's economic problem. The recent White Paper on National Income and Expenditure has revealed that out of the total deficit of £400 million on the balance of payments last year, no less than three-quarters or £300 million was due to overseas Government expenditure, of which £225 million is recorded as direct military overseas expenditure (this is apart from the net loss in Germany of £38 million). Here is manifestly the main source of trouble, not only in respect of man-power (withdrawal of two millions from production), but in respect of the external deficit and rapid exhaustion of the American loan. The withdrawals from



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the United States and Canadian loans in 1946, amounting to £279 million, have been entirely used up, and have even less than sufficed, to cover the Government overseas expenditure; not a cent of them has served for reconstruction or the civilian population at home. An increasing body of opinion on the left is now coming to understand the negative consequences of the loan agreement, with regard to which we wrote at the time in these Notes for January, 1946:

The United States has moved to an increasingly open aggressive world role, both politically and economically. Reaction in Britain has sought in every way to draw closer the links with United States finance-capital. The Anglo-American financial agreements need to be seen in relation to this situation. The agreements carry the danger of increasing the financial and economic dependence of Britain on the United States, with all the political consequences, both domestically and internationally, which could flow from such a situation. . . There is no room for illusion as to the gravity of the problems raised by the terms of this agreement.

Today G. D. C. Cole, looking back, writes in the "New Statesman" (5.4.47):

The very existence of the loan has enabled the Americans to impose on us obligations which we should otherwise have been forced to reject, because they would have been altogether beyond our immediate power. We should have been unable to go on garrisoning Greece against the Russians, or dallying disastrously in Palestine, or acting as capitalist policeman throughout the Near and Middle East. . . Rejection of the loan, had it been possible, would have forced us at once to restrict our military and imperial commitments and to come to terms with the Soviet Union. . . We should have been under the sheer necessity of reorganising our own metal and engineering industries to meet the demands of industrial re-equipment.

It is not too late, on the contrary, it is urgent and imperative, to take drastic steps to begin to free Britain from the consequences and entanglements arising from the loan agreement.

## A Wall Street Budget

Some of these consequences may be seen in the current budget, which reflects in financial terms the present line of policy. Nearly one-third of the expenditure, or £900 million, is devoted to the armed forces. Hence the weight of taxation remains extremely heavy, and any reliefs in direct taxation are more than offset by heavier increases in indirect taxation. The net effect is to shift the burden increasingly in the direction of indirect taxation, that is, to forms which bear most heavily on the mass of the people. But this shift towards placing heavier burdens on the masses of the people in order to pay for the Bevin policies is very skilfully tied up with the dollar situation. The rising popular resentment against economic dependence on the dollar is utilised to put across the tobacco tax as a supposed means to combat that dependence. If a serious and consistent policy were being pursued to end dependence on the dollar, cut out the wasteful overseas expenditure for reactionary purposes and luxury imports, and develop independent economic reconstruction at home, there would be the most wholehearted response to meet any temporary shortages and hardships for such a plan. But this is not the policy which is being followed. All the wasteful reactionary expenditure is maintained. Only the articles of popular consumption are attacked. The proposed saving on dollars, estimated at £7½ million, is minute compared to the hundreds of millions squandered on Bevin adventures. But in the name of this minute saving on dollars, indirect taxation is increased by £75 million, with the promise of



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further burdens to follow through cutting the food subsidies and increasing prices. This coincides with the line of policy demanded by Toryism, the City—and Wall Street. It is not surprising that the Wall Street Journal should express its satisfaction with the " notable achievement " and " courage " of this budget, and approvingly declare that Mr. Dalton " points his fiscal policy in the right direction." But the right direction from the point of view of Wall Street is not necessarily the right direction from the point of view of the British people.

## Tasks of Margate

Thus the delegates to the Labour Party Conference at Margate have a responsibility all the greater, because the failure of the Bournemouth Conference a year ago to face in a realist spirit the problems in front now stands exposed by experience and makes essential a fresh review. They have to carry forward the fight begun by the Brighton Trades Union Congress, and further developed within the parliamentary party and at the Easter trade union and co-operative conferences, revealing the strong current of feeling among the rank and file for a basic change in policy. It is necessary to end the tie-up with American imperialism, the military interventionist adventures against the freedom of other nations, the hostility to the Soviet Union and progressive democracies in Europe, and the waste of resources and man-power. It is necessary to concentrate resources on planned economic development and re-equipment of basic industries and agriculture, speed the nationalisation of steel and transport, cut down luxury expenditure and non-essential industries, and develop trading relations on new lines with the democratic countries in Europe building planned economies, with the Socialist Soviet Union, with Labour Australia and New Zealand and the other Dominions, and with the liberated colonial countries. It is necessary to press for a real reorganisation of the Government to correspond to this policy, not the reshuffling of a few minor seats and introduction of new upper class representatives from big business, but the carrying through of changes in the decisive posts responsible for the present reactionary foreign policy and strategy and bringing into these posts representatives more closely in touch with the feelings and demands of the labour movement and progressive opinion.

## Problems of Closer Unity

In the current number we print a further contribution to the discussion on " Europe Today " initiated by K. Zilliacus in January, and developed by R. H. S. Crossman in February, this time from Major Donald Bruce, who was one of the principal initial signatories of the foreign policy amendment to the King's Speech at the latter end of the year. Donald Bruce stresses the importance of socialist-communist co-operation and closer understanding, and in this advocacy, in common with other contributors, will win wide support. He further raises for discussion some of the points of weakness as he sees them on both sides. Such frank discussion is valuable and helpful to assist closer understanding among those engaged in a common fight against reactionary policy. There are, however, one or two points of misunderstanding on which it may be useful to make a brief comment, since they should not be allowed to stand in the way. He tends to confuse communist criticism of the philosophy and outlook of " Social Democracy " (the kind of outlook typically represented by MacDonald) with rejection of what he



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calls " democratic socialism," i.e., the fullest use of existing democratic forms for socialist aims and identification of socialism with the widest extension of democracy. The two questions are distinct; the philosophy of Social Democracy (reformism, gradualism, MacDonaldism) is the philosophy of denial of the class struggle, support of imperialism, identification of working class interests with capitalism. Communism or Marxism has always taught (not just in the recent extracts he quotes) that the question of the path to socialism will be settled in varying forms in each country according to concrete national conditions, though always within the framework of real class relations of power. But Communism or Marxism has also always taught the necessity of a political party consciously based on the interests and outlook of the working class, and closely linked with the broad organisations of the working class, the industrial workers in the factories and the mass popular movement, as the indispensable condition of victory. In the foregoing Notes we have given some of the reasons why we believe the practical experience of the labour movement in Britain is proving the necessity of this development also in Britain. Finally the suggestion that resistance to co-operation comes from both sides is incorrect. In all cases communists are striving for the maximum co-operation and working class unity; in the majority of European countries the social democratic parties are in greater or less degree co-operating with the communists; the opposition to unity comes only from Right Wing Social Democracy, at present centred in Transport House. It is inevitable that there will be discussion and differences of opinion on these basic and tactical questions of the movement, which will only be finally settled by the experience of the struggle. But these theoretical differences should not stand in the way of the closest practical co-operation of all progressive forces of the labour movement against those reactionary policies which coincide with Toryism, harm the movement and endanger Britain's future, and for the aims of working class unity, a progressive labour policy and effective fulfilment of the programme for which the Labour Government was elected. The need is urgent; for the offensive of reaction, embodied in the present Anglo-American bloc led by Diehard American Republicanism, applauded by British Toryism, and accepted by the present policy of the Government, threatens every people, and not least the British people, and needs to be defeated by the united strength and efforts of the labour movement and the people in this country and in all the countries of the world.

April 20, 1947. R. P. D.



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# MORE PLANNING AND MORE DEMOCRACY

by J. R. CAMPBELL

THE demand that the Government take adequate steps to formulate an economic plan for Britain and to develop the organisation necessary to guarantee its fulfilment was made by almost all the trade union conferences which met at Easter. This, together with the revolt on the waste of manpower in grandiose, and from the point of view of the British people senseless, military commitments, was the healthy reaction of the movement to the " Economic Survey for 1947 " and to the policy outlined by Government spokesmen in the Economic debates in the Commons and in the Lords.

No one in the movement was greatly shocked by the description of Britain's difficult situation as outlined in the Survey. All the essential facts, except perhaps those dealing with the economic drain caused by the military commitments, were well known. What appalled the movement was the lack of any coherent, dynamic, economic policy for overcoming the difficulties. Indeed, the Government in the Survey appeared to be finding excuses for a possible failure of its policy, for it goes halfway to accepting the thesis of Professor Hayek and other exponents of unrestricted capitalism that democracy and planning are incompatibles. The opening pages of the Survey emphasise the extreme, almost insuperable, difficulties of planning in a democratic environment. We are told:

" There is an essential difference between totalitarian and democratic planning. The former subordinates all individual desires and preferences to the demands of the State. In our determination to avoid the waste of unemployment we must not destroy the essential flexibility of our economic life. During the war the Government could direct labour and was the direct purchaser of a large part of the nation's production. These two factors gave the Government a control over the course of production which no longer exists. The task of directing by democratic methods an economic system as large and as complex as ours is far beyond the power of any Government machine working by itself, no matter how efficient it may be. Events can be directed in the way that is desired by the national interest only if the Government, both sides of industry, and the people accept them and then work together to achieve the end."

This is no clarion call to organised effort. It looks more like an attempt to frame an alibi well in advance. In fact it almost raises the question " Is planning really necessary?" Obviously planning involves depriving some people of some " freedom of choice." The Government placed three major objectives before the people at the General Election: (1) the rebuilding of Britain's export trade to a level far above pre-war; (2) the modernisation of British industry including the nationalisation of fuel and power, transport and steel; (3) the carrying through of a considerable social reform programme including a record construction of houses and public buildings. The free play of consumers' choice, based as it would be on a great inequality of incomes, would nullify these objectives from the start. Luxury goods would be produced in advance of essential consumers' goods, luxury building would outbid



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essential housing, production for the home market would crowd out necessary exports and the profitable luxury industries would get first preference in any re-equipment that was going.

With regard to food and the more essential consumer goods the Government recognises that the free exercise of consumers' choice would result simply in the deprivation of the mass of the people in the interests of the rich. Hence its retention of rationing and controls in this sphere. All its actions in the past eighteen months point to the conclusion, however, that it believed that the free play of the market, coupled with some general exhortations, would ensure that workers went to the most essential industries first, and that the free play of the market would also ensure that essential capital equipment would be produced before less essential. So it hastily abandoned the Essential Work Order without deciding upon any alternative means of ensuring that labour would go to the industries supplying the materials and the equipment necessary to a great modernisation drive. The result is that mining, building materials, foundries, agriculture are seriously undermanned and their insufficient production is holding up everything else. Yet even at this late hour the Government hesitates to say unequivocally that labour ought to be induced to go to those industries by differential wages, hours, rations and tax reliefs. It does not seem to grasp the elementary fact that a big reserve of unemployed was an essential part of the pre-war market mechanism for distributing labour, and that if one is out to abolish unemployment a necessary feature of planning is to evolve new methods of ensuring that labour would go where it was needed for the purposes of the plan.

If freedom of choice is to be maintained, inducements must be given to help the workers to choose correctly. Further, if the broad lines of the plan are to be operated employers must be restrained from engaging on activities that are detrimental to the plan. A modified Control of Engagement Order should obviously be operated so that the amount of labour that less essential industries should employ would be restricted, and certain industrial activities would be closed down altogether. There is nothing undemocratic about this. The Government has a mandate to achieve the great objectives aforementioned, and if the will of the people is being thwarted by bad wages in the essential industries, or the profit urge of certain employers, these things have to be grappled with so that the will of the people can prevail. All Mr. Attlee does, however, is to invite people to leave well-paid jobs in the less essential industries and go to less well-paid jobs in the most essential industries. If, therefore, labour is not going to where it is most needed, this has nothing in the world to do with democracy and freedom to choose one's job. It is due to the complete failure of the Government to foresee the emergence of this problem and to take the necessary democratic planning measures to deal with it.

The problem of securing the necessary capital equipment to enable the Government's programme to be carried through has also received scant consideration. Yet it should have been realised that if one is embarking on a great building and re-equipment programme, the ordered mobilisation of the building and the engineering industry and of all the industries supplying them with raw materials should have been one of the first objects for detailed study. After all, the Government controlled the engineering industry in wartime. All relevant data as to this



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industry's capacity should have been in the possession of the appropriate ministries. It ought early to have been realised that the sections of the industry specialising in mining equipment, equipment for the building materials and the steel industry were not large enough in pre-war days to meet the needs of a great re-equipment programme. The planned expansion of these sections was imperative, and this involved some check on the production of durable consumer goods like vacuum cleaners, refrigerators, the more luxurious types of motor cars, etc., for if the matter was left to the free choice of the employers light engineering would be overmanned and the capital goods section undermanned. This is precisely what happened, and the consequences are coming home to roost.

The Survey tells us that the Government was the purchaser of a large part of the country's output in wartime and that this, with the direction of labour, "gave the Government a control over the course of production which no longer exists." There was no need whatever to renounce this control. Mining, railways, electricity generation and steel are either in the process of nationalisation or under Government control. Textiles and building materials are under control. What was there to prevent a re-equipment programme being worked out for these industries and the engineering industry being brought under state control to carry it out? It would not have been necessary to work the programme out to its last detail before one realised how necessary it was to expand some sections of the industry engaged on essential equipment. At long last some sections like mining, engineering and electrical engineering are getting priority in steel supplies. There is no indication, however, that they are getting priority in the supply of equipment which they need for their own reorganisation. The building industry requires a vast quantity of building requisites. Some years ago Lord Simon of Wythenshawe, who has now joined the Labour Party, advocated the setting up of a Building Requisites Board which would engage in the bulk buying of building requisites. The Board could insist on the standardisation of requisites, could place long-term orders and insist on the manufacturers going over to mass production, so that they could produce good cheap articles. This is not yet being done in a sufficiently comprehensive way.

One can think of many kinds of consumer goods to which the same principle could be applied. It is no use the Government pleading that "the decisions which determine production are dispersed among thousands of organisations and individuals," as though this were a natural and not an economic and social fact. The Government can modify this situation if it goes in for large-scale ordering, both of capital equipment and consumers' supplies. Government purchase of equipment and consumer goods could be made a much more important weapon in peacetime economic planning. The failure to use it effectively has nothing to do with democracy. It is due to acceptance of the bad advice of the so-called economic experts whom the Government inherited from the Coalition.

The evil consequences of the lack of a capital re-equipment programme and of any effective price control in the industries producing capital equipment are contained in one very significant fact in the White Paper on National Income and Expenditure just issued. Gross capital formation in 1946 absorbed £1,300 millions as compared with £770



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millions in 1938. "This comparison is in itself misleading," the paper says, "since it takes no account of the change in price level. The evidence suggests that the level of gross fixed capital formation was roughly two-thirds of the level immediately before the war." If this is so, the price of capital goods (including building) must be in the neighbourhood of 150 per cent. above pre-war. Of course, building is the main sinner, but it is also likely that the price of engineering equipment has risen much faster than the general level of prices.

The plain fact is that the Government either does not grasp the planning implications of its own programme, or is spinelessly shying away from them. On the one hand it talks about the great complexity of its tasks, and the next moment suggests that "a small tripartite planning board" will see us through. Maybe it thinks that the capitalists will be reconciled to some kind of central planning authority provided it is only a little one.

The small central planning group is, of course, a carry-over from the Coalition period. In the Coalition White Paper on Employment Policy such a group was proposed as a kind of economic forecasting bureau which would watch economic trends and tell the Government when to intervene with a public works programme in order to offset an impending slump. The whole idea of this White Paper was that after a short transition the country would revert to unrestricted capitalism and that all decisions on what to produce and at what prices should reside in the hands of the capitalist class. The State, advised by the forecasting bureau, would only weigh in when the capitalists were patently unable to maintain a "high level of employment."

This type of organisation is no use for a Government which is seeking to direct the economy of the country in order to ensure priority for a great housing programme, a tremendous programme of capital re-equipment, particularly in the nationalised industries, a great build-up of the export trade and a more equitable distribution of wealth. The Government cannot leave it to the capitalists to ensure that labour and materials are forthcoming for these great projects. It must take its own planned measures to ensure that the proper allocation of labour and materials takes place and that one phase of the reconstruction effort does not get in the way of the other. It must see in time the repercussions on the economy of any measure which it is taking in a particular industry.

This means setting up a really well-staffed planning commission of economists, technicians, civil servants, trade unionists and co-operators who are really determined to make planning work. Such a commission must have strong regional organisations in touch with the problems of every part of the country. The Government is correct in emphasising the complexity of the problem of directing British economy. Because of this the "small tripartite board" idea is ludicrously inadequate.

The essentials of real democratic planning are:

The objectives of the planners should be approved of by a majority of the people. That is certainly the case with the three objectives we have mentioned above. It is not the case in respect of the Government's fourth objective, that of maintaining great military forces. Indeed, the obstinate pursuit of this objective is preventing the realisation of the others.

The planning authority must be responsible to a democratically



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elected Government. We have such a Government, but there is no effective planning authority.

The organisations of the people—the Unions, the Co-operatives, the factory committees—should be organised to help in the achievement of the planned objectives. This is not being done.

Each industry and each factory should know what its planned target is. At the moment even the Government and its small tripartite Board does not know this.

What we have today is neither democratic nor totalitarian planning, whatever that may be. It is bureaucratic sectional improvisation, or just plain muddling through. It is not democracy that is holding up planning today. Nor is planning endangering democracy. Both are being frustrated by a policy that is at once poorly formulated and weakly applied—because the Government will not see that planning must involve a challenge to capitalist interests.

What we need is more democracy and more planning.

# GERMAN REPARATIONS—THE FACTS

## by QUAESTOR

THE Conference of Foreign Ministers in Moscow has not yet ended at the time of writing, and it would be premature, therefore, to comment on the astonishing revelations about the "progress" of denazification and demilitarisation in the Western Zones of Germany, and of reparations deliveries from those Zones, which have been grudgingly made under Soviet pressure by Messrs. Bevin and Marshall, or reported by M. Rueff, Chairman of the Inter-Allied Reparations Agency.

In the meantime, some notice should be taken of the "hard-luck" stories about Germany which the British and American delegations in Moscow busily spread among the correspondents there assembled, in order to justify their violation of the Potsdam decisions about reparations; in particular, of Bevin's statement about Germany becoming "an economic cesspool in the middle of Europe," and Marshall's that she was an "economic slum" (March 13).

For there are official figures available to test these assertions. In 1946 the Allied Powers agreed that Germany was to be allowed by 1949 a level in industry equivalent to 50-55% of her output in 1938 (except for coal and some consumption goods, of which production was not to be limited, and for steel, of which a special maximum output capacity was fixed in March, 1946, with a view to reducing Germany's war potential). Furthermore, under Potsdam the reduction in output capacity was to be effected by reparations, i.e., by the transfer of industrial equipment wherever possible to the countries which had suffered most from German destruction—and most of these were under-developed industrially before the war. There was ample opportunity of doing this, since war damage to German industries, according to official American estimates ("Economist," July 7, 1945), left them with at least 75% of their output capacity unimpaired.

Using the decision about 50-55%, we can construct the following



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table, in which the second and fourth columns are based upon the League of Nations Statistical Yearbooks for 1938/39 and 1939/40:

| Industry | Output 1938 | Output for 1949 (50-55%) | This level, in 1938, would still have left Germany:— |
|---|---|---|---|
| COAL ... ... (Ruhr only, without brown coal) | 130 mill. tons | 130 mill. tons | 2nd in Europe<br>3rd in world |
| STEEL ... ... | 22 mill. tons | 7.8 mill. tons | 2nd in Europe<br>3rd in world |
| ELECTRICITY ... | 55 mld. KWH | 28 mld. KWH | 4th in world after U.S.A., U.S.S.R. and U.K. |
| CEMENT ... ... | 15.6 mill. tons | 8 mill. tons | 2nd in world after U.S.A. |
| ENGINEERING ... (index: 1929 level=100) | 142.3 | 71-72 | Nearer to peak (1929) level than U.S.A. or France |
| LORRIES ... ... | 65,000 | 33,000 | 5th in world after U.S.A., U.S.S.R., U.K., and Canada |
| LEAD ... ... (not including scrap) | 185,000 tons | 95,000 tons | 3rd in world after U.S.A. and Canada |
| RAYON ... ... | 64,000 tons | 32,000 tons | 4th in world after U.S.A., U.K., and Italy |
| PAPER ... ... | 3.5 mill. tons | 1.8 mill. tons | 4th in world after U.S.A., Canada and U.K. |

These are only some typical examples. They lead to the conclusion that, if Germany is "only" allowed in some cases to produce more by 1949 than any other country in the world except the U.S.A. did in 1938, and more, in many other important cases, than any other country except the Big Three did in 1938, she must infallibly become an economic "slum" or "cesspool," according to Bevin and Marshall. But in that case, what must have been the plight of those European countries whose output in 1938 we know to have been far less than that level?

Bevin's and Marshall's statements, in the light of the table, throw a lurid light on the real situation—that the present rulers of Britain and America feel a far greater tenderness for Germany than for their own Allies, whose predestined and natural role it is, apparently, to serve as an agricultural reservoir for Germany, a "slum" which must only consume the manufactured goods she sends them, but must not become industrially independent at Germany's expense. This, and this only, is the truth behind the "hard-luck" stories about Germany.

True enough, the British and American zones of Germany, with their 30-40% level of the permitted output, do by all accounts look very like slums (except for the houses of the big landowners and Nazi business men employed because they are "capable executives"); while the Soviet zone, with its 70% output level, strikes visiting journalists and M.P.s as making steady progress towards economic health. But this is not the fault of the Potsdam decisions on reparations; it is only the consequence of Bevin's and Marshall's barefaced breaking of the Potsdam decisions about taking German economy out of the hands of Nazi business men, and letting it be run by proved anti-Fascists and democrats.

We may also reflect with profit on the serenity with which the British and American champions of Germany have contemplated the ruin wrought by the Germans in the U.S.S.R. Here, too, we may draw up a similar table, at least for some important items, thanks to the



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published reports of the Soviet Extraordinary Commission of Enquiry on destruction wrought by the German invaders:

| Industry | Destroyed by Nazis | Output level or equipment level reached in 1938 | Percentage destroyed by Germans |
|---|---|---|---|
| COAL ... ... | Pits with 100 mill. tons output capacity | 133 mill. tons | 75% |
| IRON & STEEL ... | Ironworks: with 11 mill. tons capacity | Iron: 14½ mill. tons | 75% |
| | Steelmills: with 10 mill. tons capacity | Steel: 18 mill. tons | 55% |
| ELECTRICITY ... | Power-stations with 5 mill. KW capacity | Power-stations with 8.7 mill. KW capacity | 57% |
| ENGINEERING ... | Factories employing 919,000 workers | Factories employing at least 2½ mill. workers | 37% |
| TEXTILES ... | 3 mill. spindles | 8 mill. spindles | 37½% |
| RAILWAYS ... | 40,000 miles | 54,000 miles | 74% |

In all, the Germans destroyed in the U.S.S.R. nearly 32,000 factories employing about 4 million workers—approximately one-third of all engaged in Soviet industry in 1938. Even after two years of intense effort to rebuild, the output of industry in the devastated regions of the U.S.S.R. had, by the end of 1946, not yet reached one-half of the pre-war level. We have already seen that German losses in output capacity were not more than a quarter of the pre-war level.

These figures justify something more being said about the clamour raised by Bevin and Marshall—the talk of an "economic slum" in Germany, the refusal to transfer to the U.S.S.R. and to the other East European Allies the reparations in kind promised at Potsdam, and finally the demand that the U.S.S.R. should actually help to finance the costs of inefficient Anglo-American occupation of western Germany.

It is this, and it is obvious. The British and American Governments intend that, if there is any ruin left in Europe as a result of Hitler's war, it should be chiefly in the U.S.S.R., Poland and Yugoslavia, rather than in Germany. They want the main burden of war destruction to remain with Soviet Socialism and the new peoples' democracies of Eastern Europe, and not to fall upon its author, the capitalist system which they have preserved in Western Germany, and which they fondly hope to rebuild under their own control.

That the Government of Wall Street should take this attitude is only natural. But hundreds of thousands of active Labour Party members and trade unionists worked hard, at the General Election of 1945 which put Bevin and Attlee in office, because the Labour candidates were pledged to a programme which declared, among much else:

> "The British Labour Movement comes to the tasks of international organisation with one great asset; it has a common bond with the working peoples of all countries, who have achieved a new dignity and influence through their long struggles against Nazi tyranny."

What will they have to say to Bevin?



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# WALLACE SPEAKS FOR THE COMMON MAN

## by DEREK KARTUN

THE pounding of the war-drums in Washington, and the loud clinking of dollars in Wall Street, had tended in recent weeks to deafen us to any other sound from America. The drum-beating was meant to fill our ears with such sound that on this side of the Atlantic no other American voice would be effectively heard. The great danger of assuming that the America of Truman and Edgar Hoover was the only America had become very real. It had led many people here to conclude that war was inevitable. It was therefore dangerous. Fortunately the visit to this country of Mr. Henry Wallace has been extremely valuable in helping to dispel this dangerous illusion. For Mr. Wallace, in a series of four speeches and one Press conference, spoke clearly and convincingly on behalf of the other America—the "twenty-five million who voted for Roosevelt," as he himself expressed it.

These twenty-five million, as Mr. Wallace was at pains to point out, are no longer a compact, politically coherent body as they were in Roosevelt's day. And therein lies the present danger to world peace and the present opportunity of American reaction. But there are these millions of peace-loving Americans who still live and work in the United States. There are Trade Unions totalling 16 million workers (and Mr. Wallace pointed out at Manchester that the Trade Union movement which helped to put Roosevelt in office in 1932 numbered only 5 million). There are various Liberal groups, of which Mr. Wallace's Progressive Citizens of America, organising a hundred thousand people, is the most important. And there is this profound desire which the Americans share with every other people of the world to live in peace.

That these peace-loving men and women are now gravely misled by their Press and their Government is true. That violent anti-sovietism has been successfully stirred up is also true. In America today there has been an alarming revival of those false and hypocritical conceptions of the 1920s—Harding's "normalcy," the "era of prosperity" of Calvin Coolidge, and the notorious red scare that culminated in the Palmer raids. The American people have turned, on the crest of an unprecedented wave of prosperity, towards the Republicans and away from the pale shadow of Roosevelt's old party, and for the time being they cannot see a New Deal tradition worth following in the future.

The real importance of Mr. Wallace, however, is that an important section of this great force looks to him still as the heir and continuer of the Roosevelt conception of One World and a progressive America within that world; they still see Mr. Wallace as the only figure of sufficient stature to attract into one phalanx the various progressive groupings and to take their head when the fast-approaching and quite unavoidable economic crisis turns many people once again towards those policies to which the 1931 crash gave birth.

Wall Street and Congress have seen this quite clearly themselves, and it accounts for the fantastic violence of the attacks made against him while he has been away from home. His public declarations have



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been called childishness, ineptitude and downright treason in turn. The campaign of vilification to which his outspokenness has always exposed him has been stepped up to new heights. And significantly it was taken up in Britain by the Tory press, whose main line of attack was simply that Henry Wallace represented no one but himself and carried no more weight than the editor of any other Liberal magazine. These attacks on both sides of the Atlantic are some measure of the importance of Mr. Wallace's trip. The drive against him here was, of course, sharpened by the knowledge that this top level contact with their opposite numbers who are striving for a sane foreign policy in the U.S.A. greatly strengthens the prestige and effectiveness of the Labour "rebels" in Britain.

If Mr. Wallace's presence was valuable in itself, his remarks while he was in this country were a particularly worth-while contribution to the cause of peace. Mr. Wallace was at pains to point out five major truths.

Firstly, he expressed his belief that Communism as a world force is here to stay; that it has the moral force of a great idea; that to compare it to fascism is the grossest kind of distortion; and that the systematic anti-Communism upon which America is embarking leads straight to disaster. "I have refused to join the witch-hunt against Communism," declared Wallace, "not because I sympathise with Communists but because I believe this witch-hunt is part of a larger drive to destroy the belief which I share, that capitalism and Communism can solve their conflicts without resort to war."

Secondly, and arising from this, he expressed the conviction that America, the great capitalist state, can live peacefully in the same world as Socialist Russia. The whole of Mr. Wallace's world outlook is based upon this conception, and it is an outlook clearly expressed on repeated occasions by Marshal Stalin, by President Roosevelt when he was alive, and by the governments of all the democratic states in Europe. It is the view that the American reactionaries are trying to frighten to death with their fatalistic talk about inevitable war. Should this view disappear there will disappear with it the greatest weapon there is against the atomaniacs—the will to fight for peace.

Thirdly, Mr. Wallace warned those of his fellow-countrymen who welcomed the Truman speech with satisfaction that Truman's policy is doomed to ignominious failure; that you cannot "buy off Communism with $400 million"; that America is pouring money into a bottomless pit; that in the course of carrying through this disastrous idea she will work herself, bag and baggage, into the camp of the fascists, feudalists and reactionaries everywhere, and will end up without a friend worth having in the world. "The position of ruthless imperialism is the position which all groups blinded by hatred of Russia must ultimately defend," he declared in Manchester. "I have said in America, and I say again here, that it will end by uniting the world against America and dividing America against herself."

Fourthly, he expressed the view that Britain was not the down-and-out wreckage of its former self that she is now consistently painted in the United States. His conception of Britain's future world role is similar to that of the "rebels." She should wholeheartedly break with Bevinism and throw her weight on the side of the democratic nations who believe in peace. Britain's democratic traditions and her possession of a Labour Government gave her the duty and the opportunity to speak out with a voice which would command respect and carry great moral weight throughout the world.



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Finally, to confound the persistent accusation of his enemies that he is nothing but a starry-eyed idealist, Mr. Wallace outlined broad proposals for peaceful economic reconstruction and world-wide co-operation. In these suggestions, which were based upon the United Nations Charter, and the economic and social agencies of U.N., Mr. Wallace has incorporated a plan for the fullest use of America's giant industrial and agricultural capacities for the raising of living standards in every part of the globe. This positive picture of the future gives America a place in the world which would both help to solve her own economic problems (by making her foreign investments productive instead of wasting them on arms and loans to corrupt fascist regimes), and would at the same time give her an honoured place in the comity of nations. There was nothing starry-eyed about these proposals. To dismiss them is to dismiss everything that the United Nations has set out to do.

This was what Henry Wallace travelled across the Atlantic to say. His visit was valuable in correcting our ideas of the balance of forces in America; in rallying and raising the spirits of all those here, in America, and throughout the world, who are battling for peace, in saying to a large audience, with a voice which carries the prestige of a distinguished political career in a great democratic tradition, a number of fundamentally important things which have to be repeated over and over again; and in cementing both in Britain and in Western Europe, where he has now gone, the ties between the brave band of progressives in America and their friends on this side of the water.

One may disagree with Mr. Wallace's optimistic views on the future of the capitalist system and its superiority to Socialism; and one can readily turn to history to disprove his assumption that Communism is simply an undesirable outgrowth of misery and want and not the logical and inevitable outcome of modern capitalist society. But these differences must not prevent the closest alliance of Socialists, Communists and Liberals of Henry Wallace's stamp in the fight for peace.

The value of his visit should not be lessened by any rosy illusions that America is waiting for Mr. Wallace to return to draft him for President in 1948. The fight will be tougher than that, and maybe longer. But it is important to know that all the possibilities do exist in the United States for a re-emergence of the democratic tradition which grew out of the depressions of 1929 and 1931, matured under the leadership of Franklin Roosevelt, and has since gone into temporary eclipse beneath the brash and arrogant alliance of the Truman Democrats and the Wall Street Republicans.

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# EUROPE TODAY—V.

## by DONALD BRUCE, M.P.

ECONOMIC co-operation in Europe, so vital to all Europeans, cannot be achieved without a much greater measure of political co-operation. Consequently the most pressing European political problem is an exploration of the greatest amount of common political understanding between countries whose social and political structures differ from each other considerably; whose respective rates of development themselves vary within different social, political and economic settings; and whose customs and traditions vary with both language and geography.

In practice this should not be so difficult as it appears at first sight. Fascism has been defeated in Europe; Conservatism everywhere has received a severe setback, save in certain countries where Socialist-Communist quarrels have secured a recrudescence under much more respectable titles; but otherwise Socialist and Communist Parties are generally in the ascendancy. Despite, however, a united effort of both Socialist and Communist Parties since the invasion of the Soviet by Germany in June, 1941, until the end of the war, it appears that quite a number of Communists, and as many Social Democrats, have not learned any lessons from the disastrous results of their mutual fratricide prior to the war. The Communist Party in its recent draft political resolution for submission to Congress states, somewhat tartly:

"Nowhere has the path of Social Democracy led to the achievement of Socialism. Its record in Europe has shown that, in country after country, it has led to the strengthening of Capitalism and prepared the way for Fascism."

And the attitude of the Communists generally, which they do not hesitate to express, is that democratic Socialism, including that progressively being effected in Great Britain, is bound to fail. On the other hand certain sections of the British Labour Movement have expressed themselves implacably hostile to all forms of Communism.

Now it is my view that unless Communists and democratic Socialists can attain a better understanding of each other's viewpoints to a point where there is mutual respect, and the existing ideological battle between them, which is raging over Europe with some intensity and with the Soviet Union and Great Britain as the two protagonists, is brought to an end, the fate that awaits Europe is a grim one indeed.

In the Soviet Union the social revolution still continues and, with the progressive increase in the leisure of the mass of the population accompanied by the production of greatly increased quantities and varieties of consumer goods and services, the opportunity for an extension of democratic liberties at all levels and in all aspects of living will gradually present itself.

Great Britain for her part is following the path predicted for her by Engels in his preface to the first English translation of "Das Kapital":

"Surely, at such a moment, the voice ought to be heard of a man whose whole theory is the result of a life-long study of the economic history and condition of England, and whom that study led to the conclusion that, at least in Europe, England is the only country where



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the inevitable social revolution might be effected entirely by peaceful and legal means." (Revised Kerr edition, Vol. I., p. 32).

There is no space here to discuss the various economic, social and political factors which have, in inter-reacting on one another, produced this mode of change for Great Britain. But the fact of the matter is that it is now happening—in the midst of difficulties of as great a magnitude but of a different character, as those besetting the Soviet Union.

For "peaceful and legal means" involves the persuasion of the mass of the population, in the teeth of a hostile propaganda barrage and of outbursts of economic non-co-operation from the non-socialised sectors of industry and commerce, to support the progressive socialisation of the country. The method is slow, and subject to many setbacks, but it can be done. It requires a firm leadership which has at the same time a full consciousness of the science of social change, and it depends on an ever increasing active participation of the people themselves in the processes of government and administration and in industry, at all levels. It will be subject frequently to wrecking activities by the capitalist class, backed by those of the population who have succumbed to its propaganda. Progress will sometimes be arrested by a combination of pressure from without and those economic difficulties from within which result from the gradual introduction of and reaction to new forms of social incentives in place of the old.

But reaction to new forms of social incentives produces (in addition to an increased production necessary to maintain it in terms of consumer goods and services—and to counter decreasingly effective hostile propaganda) new and more politically conscious leaders gradually to replace those of but limited awareness. The entire process, if it is to succeed, must be accompanied by the growth of specifically party and Socialist education. The prize is enormous—nothing less than the achievement of that complete democracy which is Socialism itself, but its chances of attainment are measured precisely by the extent to which a Party and Trade Union machine, long accustomed to battle for reform, can assimilate its new and positive role of building the new society.

To sum up. The aims of the Soviet must be to increase production and to extend into the political and social spheres those personal and individual liberties appropriate to life within a highly industrialised society. The aims of Britain, also largely in the field of production, must be to effect such changes in industrial organisation to attain that end in democratising industry, whilst maintaining and extending its already existing political democracy, and extending it more into the sphere of ordinary social life.

Morgan Phillips, Secretary of our Party, takes an entirely realistic attitude towards the situation resulting from this. In a cogent article in the Labour Press Service of July 17, 1946, he writes:

" It seems to me to be the most natural thing in the world that the peoples of Britain and Russia, now both governed by Socialist Administrations, should wish to understand each other more thoroughly. Our approach to the final objective may be different, but we hope and believe that we are both striving towards the realisation of the world of the common man. It is therefore desirable that we should both recognise the rights and institutions of each other and on the basis of that recognition work for a peaceful and prosperous world."



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The fact of the matter is that each country will adopt that path to Socialism which is suited to it, some the Soviet or near-Soviet method, others by the method adopted by the British Labour Government, and many by means which contain, in varying degrees, ingredients of both. There is, fortunately, a growing consciousness of this amongst many leading European Communists. Said Dimitrov at the Workers' Party Congress, Sofia, on 27th February, 1946: "The crux of the matter, and we Marxists should know this well, is this: every nation will effect its transition to Socialism, not by a mapped out route, not exactly as the Soviet Union, but by its own road, dependent on its historical, national, social and cultural circumstances."

Or as Thorez remarked on November 17th, 1946: "The progress of democracy in the world, with a few exceptions confirming the rule, makes it possible to contemplate paths to Socialism other than that trodden by the Russian Communists. In any case the road is necessarily different for every country. We have always thought and said that France, rich in her glorious tradition, will find her own path towards more democracy, progress and social justice." ("Times," Nov. 18th, 1946).

The Communist Party would probably wish to affirm those statements, but it must at the same time realise their implications. First it must apprehend that a closely knit party organised under the principle of "democratic centralism" is unlikely for that very reason to be, or to become, the political vehicle for those social and economic changes taking place in a country whose whole economic history and condition have led to the adoption of the democratic Socialist method.

Second, it must realise that there is no monopoly of Marxism. On the contrary the Labour Party contains many thousands of members whose whole approach to the problem of our day, whilst not necessarily replete with Marxian quotation or accompanied in many instances by a knowledge of dialectical materialism, is essentially and often unconsciously the same.

The Labour Party, on the other hand, must realise increasingly that there is in fact a science of social change, and that the fact that Marxism has been brought into fashionable disrepute by the insensate folly of some of its loud protesting friends, as well as by its sworn foes, is no reason why it should not secure the more careful examination and become an increasing guide to action.

The C.P. may condemn, as it has done, the "middle way" approach to Socialism—and indeeed perhaps "third way" would be a more adequate description of the phrase coined recently by those of us who found ourselves bound to be critical of certain aspects of foreign policy; but it can do so on one assumption that the C.P. as at present organised is the only instrument by which the "peaceful and legal" revolution can be accomplished in Great Britain. This assumption is entirely incorrect in view of the fact that the same conditions precedent to the carrying through of such a revolution have themselves created the instrument—the Labour Party. If the Labour Government failed to succeed in its task the condition for a "peaceful and legal revolution" would no longer be there, in which case the incarceration of both Socialists and Communists at the hands of a Tory-Fascist regime would administer a salutary, if painful, reminder of the folly of wholly unnecessary internecine strife.

I have elaborated the problem as I see it in Britain purely because the



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ideological battle of Communism versus democratic Socialism is one of the basic factors in Europe as a whole today. The resolution of this conflict is not to be sought in a series of mutual recriminations based on a dogmatic and irreconcilable polarisation of self-centred and exclusive view points, but in frank recognition by all that in some countries Communist Party rule by Soviet or near Soviet methods will lead ultimately to Socialism, and that in others the same ultimate goal will be achieved by a democratic socialist leadership fully conscious of its aims. Failure of either "side" to act on such realisation will confront all Europe with the prospect of repeating the German failure on a continental scale —and of bringing catastrophe on millions of human, living individuals.

# IMPERIALISM AND THE INDIAN ARMY*

## by NEIL STEWART

EUROPEAN domination over India has been in the past maintained more by the use of Indian troops than British. In the wars of conquest of the 18th century, the frontier wars against the Sikhs and the Afghans, in the Mutiny, in the conquest of Burma and in the innumerable little struggles in and near India, it has been the Indian Army, rather than the European troops of the Honourable Company, or the Regiments of the Line, which has been the predominating factor. This was frankly expressed by Sir John Malcolm, Governor of Bombay, in 1832:

"Our Eastern Empire has been acquired, and must be maintained, by the sword. It has no foundation, and is not capable of having any, that can divest it of that character; and if the local army of India, but above all the native branch, is not preserved in a condition which, while it maintains its efficiency, preserves its attachment, no commercial, fiscal or judicial systems we may improve or introduce, can be of permanent benefit." (Quoted in the Eden Report, 1884).

The task of the military and civil leader, therefore, was to maintain the loyalty of the army. The Mutiny was a terrible lesson; it was taken to heart and minutely analysed by the Peel Commission of 1859, and twenty years later by the Eden Commission. The mass of evidence taken by these commissions showed how the Mutiny had been made easy by the fact that caste and religious differences in the old Bengal Army had been smoothed away. A pro-British Moslem commentator on the Mutiny recorded as follows what had taken place:—

"Government certainly did put the two antagonistic races in the same regiments, but consistent intercourse had done its work, and the two races in regiments had become one. It is but natural and to be expected that a feeling of fellowship and brotherhood must spring up between men of a regiment, constantly brought together as they are.

*This study of the past foundations of British policy in India towards the Army is apposite today when the press announces that the new Mountbatten plan is expected to partition India into separate states on the basis of Hindu and Moslem areas.—Ed. L.M.



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They consider themselves as one body, and thus it was that the differences which exist between Hindus and Mohammedans had, in these regiments, been almost entirely smoothed away.

"If a portion of a regiment engaged in anything, all the rest joined. If separate regiments of Hindus and separate regiments of Mohammedans had been raised, this feeling of brotherhood would not have arisen." ("The Causes of the Indian Revolt." Sir Syed Ahmed Khan. Calcutta, 1873).

There were many who saw that British rule depended upon maintaining the existing divisions among the Indians. One of the most brilliant and able British soldiers in India, General Sir Charles Napier, wrote only a few years before the Mutiny:

"The moment these brave and able natives learn how to combine they will rush on us simultaneously and the game will be up." ("Life of General Sir Charles Napier." W. N. Bruce. London, 1885).

The opinions of a number of personalities famous in British-Indian history were offered to the Peel Commission with a view to demonstrating that communal divisions were the basis of British safety in India. Lord Elphinstone, Governor of Bombay, wrote in a Minute (14th May, 1859) presented to the Commission:

"But suppose the whole native troops to be formed into one grand army, the component parts of each regiment being as heterogeneous as possible, and suppose some cause of discontent to arise which affects all castes alike, the danger would undoubtedly be far greater than that which overtook us last year.

"I have long ago considered this subject, and I am convinced that the exact converse of this policy of assimilation is our only safe military policy in India. 'Divide et impera' was the old Roman motto and it should be ours."

With a neat simile Lord Elphinstone compared the policy for ruling India with the watertight compartments of a boat:

"The safety of the great iron steamers which are adding so much to our military power and which are probably destined to add still more to our commercial superiority, is greatly increased by building them in compartments. I would ensure the safety of our Indian Empire by constituting our native army on the same principle; for this purpose I would avail myself of those divisions of race and language which we find ready to hand."

The military leaders were in complete accord with this point of view. A memorandum by an old Sepoy officer, Major-General Sir H. T. Tucker, also envisaged the encouragement of caste and religious differences as the most hopeful solution:

"The strong necessity which exists for so dividing and separating into distinct bodies the 'different nationalities and castes,' the rulers in our Eastern Dominions may deem it safe to entertain in our armies, so as to render them as little dangerous as possible to the state. . . .

"The introduction of other elements would be advisable . . . anything, in short, to divide and so neutralise the strength of the 'castes and nationalities' which compose our armies in the East."

A Minute by the Chief of Staff in India, Sir W. R. Mansfield, advocated not merely communal division, but communal antagonism as the main contribution to better control:

"I am strongly of the opinion that Mussalmans should not be in the



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same company or troop with Hindoos or Sikhs, and that the two latter should not be mingled together. I would maintain even in the same regiment all differences of faith with the greatest care. There might be rivalry or even hatred between two companies or troops.

"The discipline of a native regiment, instead of being impaired would gain by it, as regards the greater question of the obedience of the whole to the commanding officer. The motto of the regimental commander in chief must be for the future 'Divide et impera'."

"Divide and rule" was the policy freely and openly accepted by the leading military and civil personalities in India. The Earl of Ellenborough, Governor General of India from 1841 to 1844, also advocated this policy in a Minute to the Peel Commission:

"The fewer elements of combination there are in the native army the better; and therefore the more nationalities and castes and religions, the more secure we shall be."

The evidence before the Peel Commission echoed the report of the Punjab Committee of 1858, which was composed by three men famous in the history of British India, Sir John Lawrence, Sir Neville Chamberlain and Sir Herbert Edwardes. It said:

"As we cannot do without a large native army in India, our main object is to make that army safe; and next to the grand counterpoise of a sufficient European force comes the counterpoise of Natives against Natives.

"It is found that different races mixed together do not long preserve their distinctiveness; their corners and angles and feelings and prejudices get rubbed off, until at last they assimilate and the object of their association to a considerable extent is lost.

"To preserve that distinctiveness which is so valuable and which, while it lasts, makes the Muhammedan of one country despise, fear or dislike the Muhammedan of another, corps should in future be provincial, and adhere to the geographical limits within which differences and rivalries are strongly marked.

"By the system thus indicated two great evils are avoided; firstly that community of feeling throughout the native army, and that mischievous political activity and intrigue which results from association with other races and travel in Indian provinces."

A more clear and frank case for the encouragement of communal strife could hardly be made out.

The result of the Peel Commission was that the balance between Indian and British troops, and between the various races in India, was in future carefully kept. There were 60,000 British to 140,000 Indian troops. All scientific arms and personnel of arsenals and depots were British. A number of Gurkhas were recruited whose antagonism towards the Indians was known. Brigades were formed with two British, one Indian and one Gurkha battalion, thus ensuring that the number of fighting troops (including the artillery, the predominant arm of the 19th century battlefield) were British or Gurkha.

The recruiting of Gurkhas had been advocated before the Mutiny by General Sir Charles Napier, when Commander-in-Chief. He wrote:

"The Gurkha will be faithful, and for low pay we can enlist a large body of troops whom our best officers consider equal in courage to European troops. Even as a matter of economy this will be good; but the great advantage of enlisting these hill-men will be that with 30,000



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or 40,000 Gurkhas added to the 30,000 Europeans, the possession of India will not 'depend on opinion,' but on an army able with ease to overthrow any combination among Hindoos or Mohammedans or both." ("Life of General Sir Charles Napier." W. N. Bruce. London, 1885).

The next examination of Indian Army organisation was by the Eden Committee, which met in 1879, and whose report was published in 1884. It approved the continuance of the caste and religious divisions of the Army:

"Our desire is to maintain the great national divisions of the army. . . . The armies of India should be divided into four complete and distinct bodies, to be called army corps, so distributed that they shall be deprived, as far as possible, of community of national sentiment and interest, and so organised, recruited and constituted as to act in time of excitement and disturbance as checks each upon the other." (p. 30).

This policy had already been borne out by the Mutiny, when the armies of the Bombay and Madras Presidencies, helped by the irregulars from the Punjab, which had all previously kept separate from each other, fought against the mutineers. The Commission came to the conclusion that in the Bengal Army the policy of "divide and rule" was not being correctly put into practice:

"At the present time the Sikh and the Poorbia, the Mussalman from the Punjab and of Oudh, serve side by side in all parts of the vast and ill-defined tract called the Bengal Presidency. . . .

"The natural consequences are that the distinctive characteristics of the soldiers, both in creed and nationality, tend to amalgamate, and thus a common feeling is stimulated which might dangerously unite them to a common end." (p. 32).

The advice of the Commission was to divide the Bengal Army into two halves, each separate and distinct, so as to prevent any possible recurrence of the Mutiny:

"In working out the details of the proposed division of the army, our main object has been to define the territorial formation of the Army of India with due regard to the great principle of 'divide et impera.'" (p. 33).

The Moslems had been considered the most savagely anti-British element in the Mutiny, while the Hindus were considered the least seditious. Therefore, while there were a few all-Hindu units, there were no all-Moslem units, and the majority of infantry battalions and cavalry regiments were made up of the different religions. An infantry battalion might have one Punjabi Moslem, one Sikh and two Hindu companies. The Hindus would usually be of different castes or races, such as Jats, Dogras, Brahmins, Kumaons or Rajputs. A number of Pathans and other Moslems from the North West Frontier Province and the Tribal Areas were also recruited as an offset to the Moslems from the Punjab. The India Army, though extremely efficient as a fighting force, if not in its higher administration, was a body of separate little communities, each having little contact with the other, and the whole welded together by British officers.

Urdu was the common language in which orders were given. As Urdu, or some similar language, is spoken by the majority of Indians, the language problem did not present any difficulty.

The organisation of the Indian Army upon communal lines was not just a phase of 19th century politics. It was carried on up to the present



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day, except when emergency or necessity enforced a change. It is noticeable that where caste or religious barriers are not recognised, as in the Royal Indian Navy, the situation that led to the Indian Mutiny arose once more and Moslem and Hindu united.

Communal distinction in the army is, in fact, a reflection of the consistent policy which has been applied to the whole of India and which has successfully held it under European rule for close on two hundred years. The encouragement of communal distinction in the army has been paralleled by the encouragement of communal distinction among civilians; this is "the great system of 'divide et impera'" whose result has been the present political deadlock and the terrible massacres of Bengal, Bihar and the Punjab.

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# *Book Review*

## Soviet Population

**"The Population of the Soviet Union," by Dr. Frank Lorimer. xiv and 289 pp. (League of Nations, Geneva, and Allen and Unwin. 1946. 15s.).**

This remarkable study presents material of great interest to the specialist in population statistics, both for the ingenuity of method adopted and for the value of the conclusions. No such elaborate study of the population of the Tsarist Empire at its only full census, in 1897, or of the Soviet Union at the period of its two principal censuses, has ever been attempted in English.

To the lay reader the bulk of Dr. Lorimer's work, with its scores of maps and tables, may seem frightening. Yet there is much of great general interest embedded in his laborious, erudite and—so far as a non-specialist can judge—most conscientious researches.

Apart from the sketch of the origins and history of the Soviet peoples up to the end of the 19th century (Chapter I), and the factual analysis (Chapters 4-7) of the difficulties facing the Soviet authorities in their early years, as revealed by the 1926 census—"one of the most complete accounts ever presented of the population of any country" (p. xiii)—two features of the book command attention.

The first is the severe judgment passed, from the standpoint of demography, upon Tsarist Russia. Its Asiatic dominions were immensely rich, but "the utilization of these resources was severely hampered by the economic and social structure of the Empire" (p. 13). It remained in 1897 "a culturally retarded and poverty-stricken nation" (p. 14). On the eve of the first world war "textile manufacturing still occupied 40% of all industrial workers" (p. 19). There were less than 2 industrial workers per 100 of the population in 1913, as against 11.6 in the U.S.A., and their increase, relative to the population, was less from 1900 to 1913 than had occurred in Japan from 1900 to 1910 (p. 21). In sum "as industrial activity was heightened in western Europe, Russia slowly emerged from a locally self-sufficient feudal economy, and developed many of the characteristics of a colonial economy. Russian economy became heavily dependent upon foreign capital"; and its outlying regions "might be characterised as the colonial appendages of a nation whose economic relations to the outside world also had many of the characteristics of a colonial economy." (p. 23).

The second feature of interest in Dr. Lorimer's book is his dispassionate testimony to the Soviet system. The industrial and cultural changes revealed by the 1926 and 1939 censuses "undoubtedly represent the most remarkable expansion of mechanical,



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technical and administrative activity ever achieved in any nation in so short a time." (p. 101). During the Five Year Plans Soviet economy changed from one depending on peasant agriculture to one "with a fair balance between agriculture, industry and services," and "a basis was established for progressive advance in all spheres of economic activity." (p. 111). An expression of this has been the increase in the number of cities of 200,000 inhabitants or over from 12 in 1926 to 39 in 1939; and of those with 50,000 or over, from 90 to 174 in the same period (pp. 146, 250-3). "The economic cost to parents of bearing and rearing children in the Soviet Union is less than it has been in European countries, because of greater public provision for maternal and child care." (p. 179). "The rapid advance of technology, education and literacy in bringing the whole population to a higher level of communication, productivity and capacity for participation in public affairs." (p. 198). The will of the Soviet people and the quality of their leaders have created "the foundations of new economic and social progress," which are "implicit in Soviet population trends." (pp. 200-202).

A. R.

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**DOBSON**

# Human Nature

THE MARXIAN VIEW

## by Vernon Venable

*Associate Professor of Philosophy at Vassar College*

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